

INTERNAL CONTROLS BULLETIN

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Make Time for Risk Mitigation

Are you ready to conduct risk mitigation projects? With time and resources already strained, agencies may be tempted to tackle risk mitigation without a plan, resulting in a missed opportunity to benefit from these projects. A thoughtful approach to designing and conducting risk mitigation can save time and money by ensuring precious resources are appropriately deployed. This strategy helps to safeguard agency resources from fraud, waste, and abuse; protect delivery of public services; and, avoid costly recovery from unexpected events resulting in hits to agency and individual reputations.

Below are strategies an agency can use to get their risk mitigation projects off on the right foot.

Senior Leadership Approval. Management attitude and commitment are fundamental to the success or failure of risk mitigation projects. Agency leadership must have confidence that risk mitigation projects can benefit the organization and convey that commitment through words (encouraging employees to actively engage in risk assessments) as well as actions (allocating employee time for projects and addressing action items identified as a result of the projects).

Subject Matter Experts. To get the most value, employees involved in the day-to-day operations of a business process are the best candidates for inclusion in risk mitigation. For example, grant managers and administrators would be involved in a grant risk assessment, as would the employees who make payments to grantees. Be mindful of the number of participants selected. Too large a group can stifle expression and too small a group

may hinder needed details of a process or current controls.

Training. Risk mitigation concepts may be new to first-time participants. Training is essential to help each member effectively participate. Training can be as simple as a short presentation to introduce the methodology, describe risk assessment terminology, and provide basic examples.

Planning. A well-designed strategy for rolling out risk mitigation projects promote consistency and efficiency. For example, you can avoid rework by capturing all relevant information before moving to the next phase of the project. There are many risk mitigation project formats available so project coordinators will want to adapt the design based on the needs of the agency.

Scope. Be careful not to bite off more than you can chew. It may be good practice to test your methodology on a small process or sub-process to ensure effectiveness and make adjustments before introducing the concept to a larger and higher profile area.

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Questions?

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